

Carla A. Neiman, Chief Financial Officer
Clark Fork Valley Hospital
P. O. Box 768
Plains, MT 59859 (406)826-4851

DATE 03/25/2013

HB 590

Testimony for HB 590

Chairman Howard and members of the House Human Services Committee, good afternoon, and thank you for the opportunity to testify today. My name is Carla Neiman. I am from Plains, Montana and I am here representing Clark Fork Valley Hospital where I serve as Chief Financial Officer.

Clark Fork Valley Hospital is a 16-bed independent not for profit critical access hospital and the only acute care facility serving approximately 11,000 residents of Sanders County. We also operate a 28 bed long term care facility, 3 rural health clinics, home health and hospice services.

Sanders County has the second highest unemployment rate in the state, 25% of our residents are without health insurance, a greater proportion than the state average, and our population tends to be older than the state as a whole. The hospital is the largest employer in the county.

Last Wednesday, the Clark Fork Valley Hospital Governing Board voted unanimously in support of Medicaid expansion in Montana. We believe that our local economy will benefit from the additional federal funding, good jobs will be created, and we will be able to better care for an additional 1000 residents in Sanders County who currently have no health care coverage (nearly 10% of our population).

Over the last 3 years our small hospital has averaged over \$1.3 million per year in uncompensated care, just from Charity and Bad Debt. This represents approximately 7% of our revenue budget. While caring for all of our residents without regard for their ability to pay is an important part of our mission, in order to be financially viable, we must shift much of the cost of uncompensated care to employers and insurance companies in the form of higher prices. At the same time, these citizens who are uninsured, because of their limited and fragmented access to the system, do not usually receive care in the most efficient and cost effective manner.

For example, our cardiologist told me the story of one of her needy patients, who she sees in the clinic for a sliding scale charge of \$10 per visit. After suffering a mild heart attack, he received a stent in Missoula and was placed on Plavix, an expensive anti-clotting drug. Although he continued to follow up with his physicians, he could not afford the expensive medication, despite their warnings. After three months of non-compliance with his drug regimen, he presented at our Emergency Room with chest pain, was sent to Missoula by helicopter and underwent open heart surgery. This intervention, costing hundreds of thousands of dollars, would likely have been avoided had this patient had access to the needed medication.

Our hospital was nearly forced to discontinue delivering babies in 2013 after recruiting for a family practice physician with OB credentials for three years with no success. Fortunately, we found a wonderful doctor in January. Rural hospitals in Montana have many challenges recruiting and retaining providers and other professional staff. We believe this recruitment problem will be further exaggerated should Montana fail to expand Medicaid and send the federal funding intended for our state elsewhere, as we compete with providers in other Western states responding to higher demand for services with more funding for this limited pool of professionals.

Regardless of how one feels about health care reform, the ACA is federal law. Montana tax dollars will be funding the federal appropriation intended to help Montana citizens. You can choose to keep them here or send them to California and New York and North Dakota, states that have already moved to expand their Medicaid eligibility. Montana's economy will benefit from the Medicaid expansion and at the same time we can extend health insurance coverage to an additional 65,000 of our most vulnerable citizens.

Thank you, Mr. Chairman and members of the Committee. I respectfully ask that you give House Bill 590 a Do Pass Recommendation.